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## Company News



PSSI  
PSS World Medical Inc. NASDAQ-NM

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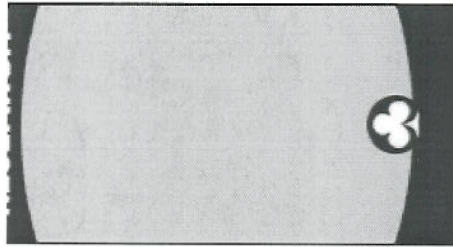
### PSS World Medical Decides Not to Renew Long-Term Contract with Beverly Enterprises

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JACKSONVILLE, Fla.--(BUSINESS WIRE)--Sept. 13, 2005--PSS World Medical, Inc. (NASDAQ/NM:PSSI) announced today that its Elder Care Business subsidiary, Gulf South Medical Supply (GSMS), has decided not to accept the request by Beverly Enterprises, Inc. (NYSE:BEV) to renew its long-term distribution agreement. The Company cited concerns as to whether the likely acquirers of Beverly would honor and abide by past practices with regard to trade and credit terms. This concern is based on facts reflected in certain litigation pending in the Superior Court of Dekalb County, State of Georgia, styled: Gulf South Medical Supply, Inc. v. SavaSeniorCare, Inc.; Mariner Health Care, Inc.; SavaSeniorCare, LLC; and SavaSeniorCare Administrative Services, LLC, 05CV8409. The Company noted that its current contract with Beverly Enterprises has expired, marking the conclusion of a 20-year mutually productive relationship between the two companies. Annual revenues from Beverly Enterprises were approximately \$34.5 million in the latest twelve months.







David A. Smith, President and Chief Executive Officer of PSS World Medical, Inc., commented, "We have tremendous respect for the current management team at Beverly and the track record of patient care the Beverly staff and organization have established. In the interest of facilitating consistent patient care, we have agreed to temporarily extend our distribution to Beverly's facilities for 90 days, while we work with them to transition the business to a distributor of their choice."

PSS World Medical, Inc. is a national distributor of medical products to physicians and elder care providers through its two business units. Since its inception in 1983, PSS has become a leader in the two market segments that it serves with a focused market approach to customer services, a consultative sales force, strategic acquisitions, strong arrangements with product manufacturers and a unique culture of performance.

All statements in this release that are not historical facts, including, but not limited to, statements regarding anticipated growth in revenue, gross and operating margins, and earnings, statements regarding the Company's current business strategy, the Company's ability to complete and integrate acquired businesses and generate acceptable rates of return, the Company's projected sources and uses of cash, and the Company's plans for future development and operations, are based upon current expectations. Specifically, forward-looking statements in this Press Release include, without limitation, the Company's expected to discontinue the medical supply agreement with Beverly Enterprises, the expectation that the loss of revenue and operating income from the Beverly Enterprises contract could have a material adverse effect on the Company's financial results in future periods, and generally, the Company's GAAP EPS, revenue, operating incomes and operating margins for continuing operations and discontinued operations for both the consolidated company and for each of its businesses in fiscal year 2005; the expected operational cash flow in fiscal year 2005 and in fiscal years 2006 - 2008; the ability to sustain revenue growth and expected growth rates of the marketing programs in its Physician and Elder Care Businesses; expected flu vaccine sales during fiscal year 2006; and expected sales growth from durable medical equipment, housekeeping, revenues derived from home care and assisted living customers, our expectations for revenue, operating income, operating margin, cash flow from operations and earnings per share for fiscal year 2005, fiscal year 2006, and in fiscal years 2007 - 2008, as well as other expectations of growth and financial and operational performance. These statements are forward looking in nature and involve a number of risks and uncertainties. Actual results may differ materially. Among the factors that could cause results to differ materially are the following: pricing and customer credit quality pressures; the loss of any of our distributorship agreements and our reliance on relationships with our vendors; our reliance on a limited number of elder care customers; the availability of sufficient capital to finance the Company's business plans on terms satisfactory to the Company; competitive factors; the ability of the Company to adequately defend or reach a settlement of outstanding litigations and investigations involving the Company or its management; changes in labor, equipment and capital costs; changes in regulations affecting the Company's business, such as the Medicare cliffs, changes in malpractice insurance rates and tort reform; future acquisitions or strategic partnerships; general business and economic conditions; and other factors described from time to time in the Company's reports filed with the Securities and Exchange Commission. Many of these factors are outside the control of the Company. The Company wishes to caution readers not to place undue reliance on any such forward looking statements, which statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. The Company

also wishes to caution readers that it undertakes no duty or is under no obligation to update or revise any forward-looking statements.

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SOURCE: PSS World Medical, Inc.

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